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The development of Facebook's competitive advantage for brand awareness

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Abstract

The paper aims to examine the development of competitive advantage in Facebook for brand awareness. The paper describes a dynamic model of the simulation system associated with the stock of online communication and customer engagement, the increase of users and the geographic connection that social media provide.

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1. Introduction

Communication among people with the use of Web2.0 entails the element of interaction among people who may have never met yet, they may exchange messages because they share common interests. Online social media platforms allow such two way communication to take place. "Social media are Internet-based channels that allow users opportunistically interact and selectively self-present, either in real-time or asynchronously, with both broad and narrow audiences who derive value from user-generated content and the perception of interaction with others" Carr & Hayes (2015).

Strategies that implement social media have recently been initiated by practitioners taking into consideration the viral effect of social media platforms Dooley, Jones and Iverson (2014). If we take into consideration financial

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returns for one of the biggest platforms, that of Facebook, companies need to implement the use of social media in their advertising campaigns. According to Facebook report results, the advertising revenue for 2014 was 12,466 million dollars in comparison to 7,872 million in 2013 an increase of 58% year-over-year (<http://investor.fb.com/releasedetail.cfm?ReleaseID=893395>). Since people are online, the communication takes place via social media networks Hutter, Hautz, Dennhardt and Füller (2013). The interaction existing among users and companies and the huge amounts invested on advertising in social media may be effectively used to increase a company's brand awareness.

Facebook participants may use their online profile to interact with people they already know offline or to meet new people with whom they may share common experiences, photos, comments participation in online groups associated with brands Ellison, Steinfeld and Lampe (2007). For this reason, brands have recently employed Facebook as a tool to create brand awareness and to gain people's participation with their online comments, their post, their likes Wallace, Buil and de Chernatony (2014). This engagement brings interaction with brands and people experience the brands with the use of social media and the possibility to add friends from their social network to the brand's network Wallace, Buil and de Chernatony (2014), Hutter, Hautz, Dennhardt and Füller (2013).

This paper aims to provide elements that need to be taken into consideration so that companies' economic investment on social media and Facebook can be effective bringing together the tank of benefits of social media as well as element that may hold consumers back from the communication campaigns of social media.

2. Background of the research

2.1. Social media and online communication

Social networks allow for an on-line discussion, which nourishes the relationship, participation and networking among individuals in comparison with traditional media, which communicate only content without discussion. The interaction with social media has benefits since it enhances online communication. People participate in online communities and provide their points of view for the company or the product, share comments, upload pictures Zheng, Cheung, Lee and Liang (2015). Nonetheless, limited research has taken place on this online communication and engagement of people in brand communities created online in platforms such as Facebook Brodie et al. (2013), Zheng et al. (2015).

The word of mouth and blogging consist of part of a person's online engagement that causes communication Van Doorn et al. (2010). Engagement lies in supporting the increasingly interactive and experiential nature of consumer relationships, while extending their scope beyond core purchase situations Vivek Beatty and Morgan (2012), Dessart, Veloutsou and Morgan-Thomas (2015). Even if the person does not buy a specific brand, his/her behavioral engagement with the brand that is based on communication about the brand either with another consumer or with the company via online communication, blogging and other social media (van Doorn et al., 2010; Gummerus, Liljander, Weman and Pihlström, 2012).

Social media depend on online communication with large groups of people with whom users share information and updates; different groups where one person belongs (university classmates, neighborhood friends, common activity groups' people or even strangers etc.) may merge together and the feeling of connection and communication exists Utz. (2015).

2.2. Geographic connection

Initially people communicated offline in a geographically bounded community. With the advent of social media, users can be connected and create communities with shared interests irrespective of geographic boundaries Ellison, Steinfeld and Lampe (2007).

People interact via online social networks with a group of participants while there are not geographical limits at the same time, the online group associated with a brand is also bounded in the sense that it needs a specific language and/or specific interests that bring people together in order to communicate Marwick and Boyd (2010), Kavoura (2014).

2.3. Increase of users

There is an increasing number of people who use social media (for example, Facebook monthly active users were 1.39 billion as of December 31, 2014, an increase of 13% year-over-year (<http://investor.fb.com/releasedetail.cfm?ReleaseID=893395>). These people interact online with the brand and with their friends and people they know and Facebook fanpage engagement may increase people's brand awareness with the use of word of mouth that takes place and allows for more people to be around a brand Hutter, Hautz, Dennhardt and Füller (2013).

2.4. Communication with customers

Customers are nowadays are co-creators of a company's marketing approaches and communication strategies Hutter, Hautz, Dennhardt and Füller (2013). Wirtz et al. (2013) argue that companies and consumers co-create value that goes beyond the existing brand identity and value proposition yet, may associate a brand with a specific related idea, concept, a common interest for many people rather than promoting only the brand. In that way, social links can be created that promote messages that go around members of an online group with a wider shared interest. Companies though have a long road to cross with regard to the incorporation of social media in their communication campaigns and employ them to a fuller degree Vlachvei and Notta (2014).

3. Development of brand image

3.1. Social media – an inexpensive tool

Social media provide inexpensive ways for the promotion of a company with a relatively low cost Broekemier, Chau and Seshadri (2015).

3.2. Search Engine Optimization

Investment on search engine optimization can help one website increase its rank on Google and search engines have started to incorporate social media content into search engine ranking (Pan, 2015).

3.3. Dishonesty of companies

The information that is provided online via comments made by customers about a brand is considered more authentic and trustworthy in comparison to other advertising activities Arif Dar et al. (2014).

A company's commercial interests may discourage customers from viewing a company's provision of information as trustworthy in contrast to word of mouth comments and opinions provided by other people Litvin et al. (2008), Casaló, Flavián and Guinalíu (2011), Leung et al. (2013).

3.4. Expensive Tricks

There are many ways, which may contribute to the consumers' active participation to a company's co-creation of a community online framework. Comments' replies consist such an innovative way that may bring the consumer to a community targeted for him/her and aiming to satisfy and fulfill his/her needs Kavoura (2014). To succeed in receiving comments from users, the company organises different activities.

Among the activities that are initiated by the company in order to approach the customers are prize competitions, announcing new products/services, interacting with fans, providing advice and useful information, and handling customer service issues Tsimonis and Dimitriadis (2014).

When advertisers invite members of social networks to visit websites for their products, usually fail to spur their interest, unless they invest in smart, yet expensive, creative tricks (e.g. applications, quizzes, online games) or in

traditional promotional methods, such as competitions with prizes that may also take place online. JetBlue Airways for example, which implemented an on board contest, announced the 100 simultaneous FlyFi users on one of their flight providing photos showing people's participation at the time that the competition took place (<https://twitter.com/JetBlue/status/41114965823110528/photo/1>). Then, personalized messages but also announcements were made on Twitter about those who won the abovementioned contest (<https://twitter.com/JetBlue/status/411166667352604674/photo/1>).

Dreamfields is another example, which identifies the fans that are most engaged in their content and invites them to their "Taste & Tell Team," a special program that encourages passionate customers to share recommendations and trial coupons with others. Each year, Dreamfields' brand fans activate more 130,000 friends to try Dreamfields products themselves engaging fans with relevant, timely, and valuable content DeVore (2013). Even if the company succeeds in promoting its products and services to users who may then promote these website to their friends and acquaintances, this does not mean that this measure is in favour of the advertiser.

Yamaha corporation for example, asks people on Twitter which instruments they're interested in and thus, people engage in only relevant web content and product information Cohen (2013). It is typical to note that there are businesses, which send posts to first-time customers; recipients of these notes often post them on social media, increasing the brand's exposure Lee (2013).

4. Analysis of the dynamic model of the simulation system

This section deals with the individual dimensions of strategic management of technology for the development of competitive advantage, which was developed using the concepts of dynamic configuration systems. Our dynamic model consists of: stocks, flows, converters and connectors. Each of these elements is further described in this section:

- A Stock represents the accumulation of physical or non-physical quantity.
- A Flow represents an activity that fills or reduces a pool. The arrow indicates the direction of positive flow, in or out.
- A Converter can keep values stable or serve as an external input to the standard or convert inputs into results, through the user-defined algebraic relations or graphics functions.
- Connectors provide connections between the elements of models. Continuous cable is an action connector and the dotted wire is an information connector.

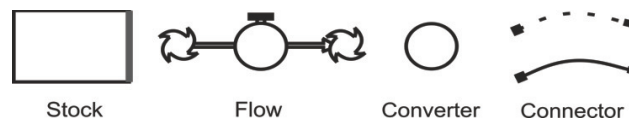


Fig. 1. Dynamic Simulation Model Elements

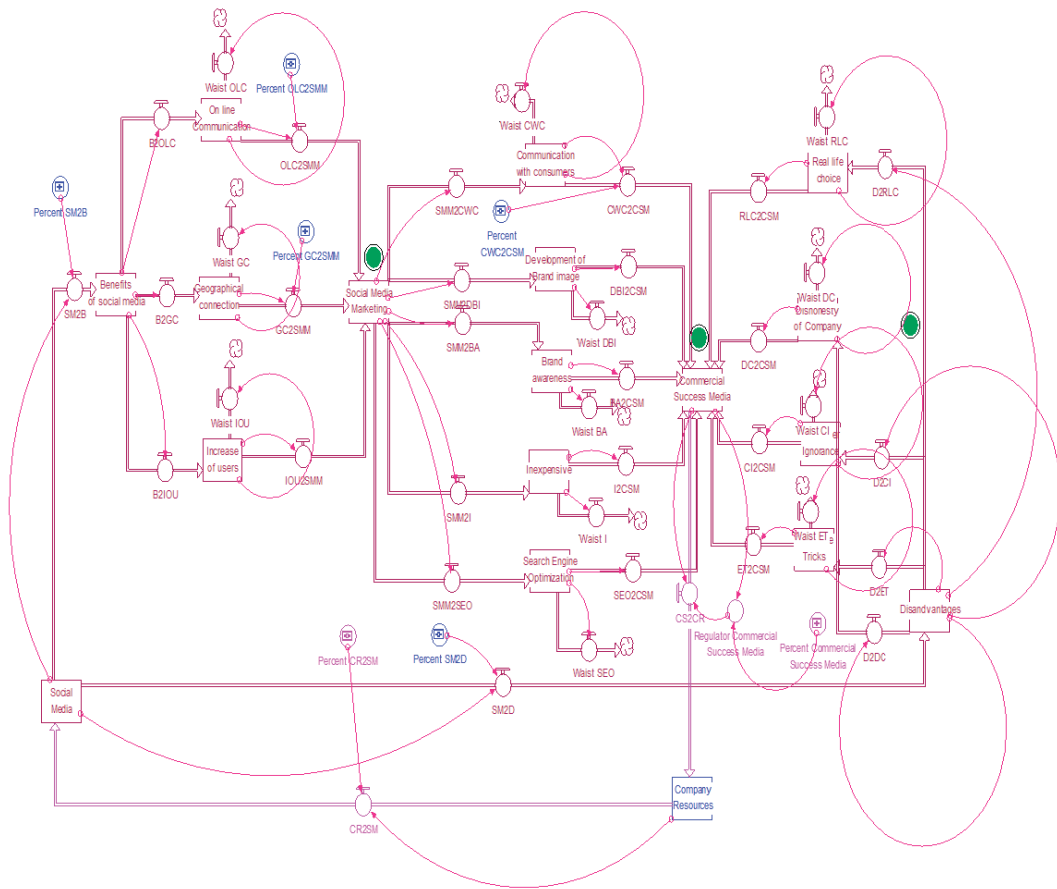


Fig. 2. Dynamic Simulation Model

Through the user interface screen, we have the opportunity to run many scenarios, which shall approach ideal solutions for commercial success. We are enabled to achieve various deployment scenarios, in order to reach the ideal solution. Especially, as shown in figure 3, we have the ability, via the user interface screen, to define the initial values of the model. Additionally, we may intervene during the model's run-off, so as to provide the maximum possible benefit for the investor.

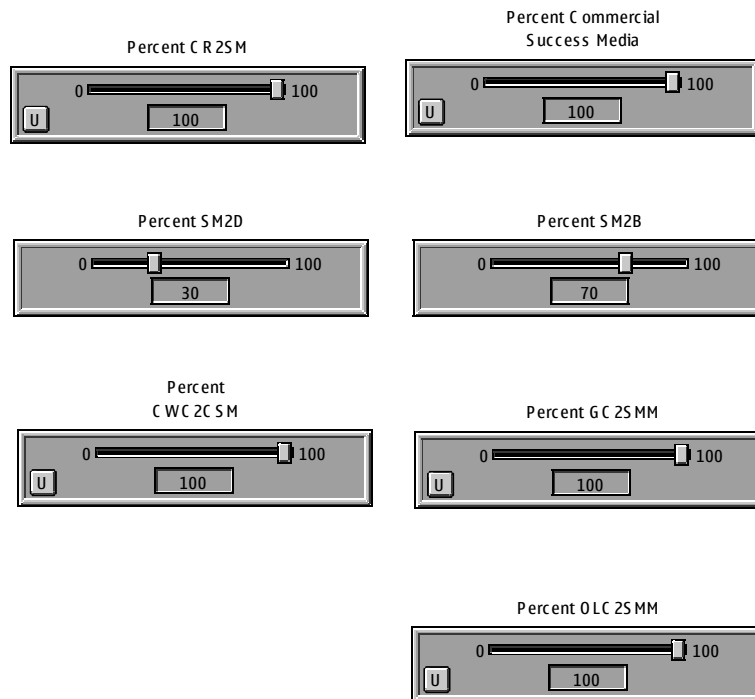


Fig. 3. Main User Interface

The Company Resources to Social Media (CR2SM) slider allows the manager of the system to define the amount of resources can be spent for social media. The Social Media to Benefits (SM2B) allows the manager of the system to determine the amount of resources can be spent to obtain the social media benefits. The Communication with costumers to Commercial Success Media (CWC2CSM) allows the manager of the system to define the amount of company resources in the section of customer's communication. In the same way the SM2D & SM2B sections allows the manager of the system to keep the appropriate balance among the successful dissemination of company resources and the rightful feedback of them.

Here is a scenario of simulation concerning the sharing of resources of a company in order to create a Commercial Success of Social Media. In table 1 listed the changing values of resources.

Table 1: Scenario of Primary Dynamic Values

Percent CR2SM (Company Resources)	100%	Percent SM2D	30%
Percent Commercial Success Media	100%	Percent SM2B	70%
Percent CWC2CSM (Communication with costumers)	100%	Percent GC2SMM (Geographical connection)	0%
Percent OLC2SMM (On line communication)	0%		

After 8 months that the process runs, it is achieved the stabilization of key resources which are available to the company for the achievement of this objective. Thus, we are given a good opportunity to attempt to fulfill the objectives of the “Geographical connection” and “On line communication”, without inflicting a dramatic reduction in the resources of the company (table 2).

Table 2: Scenario 2: Overturning the dynamic values

Percent GC2SMM (Geographical connection)	100%
Percent OLC2SMM (On line communication)	100%

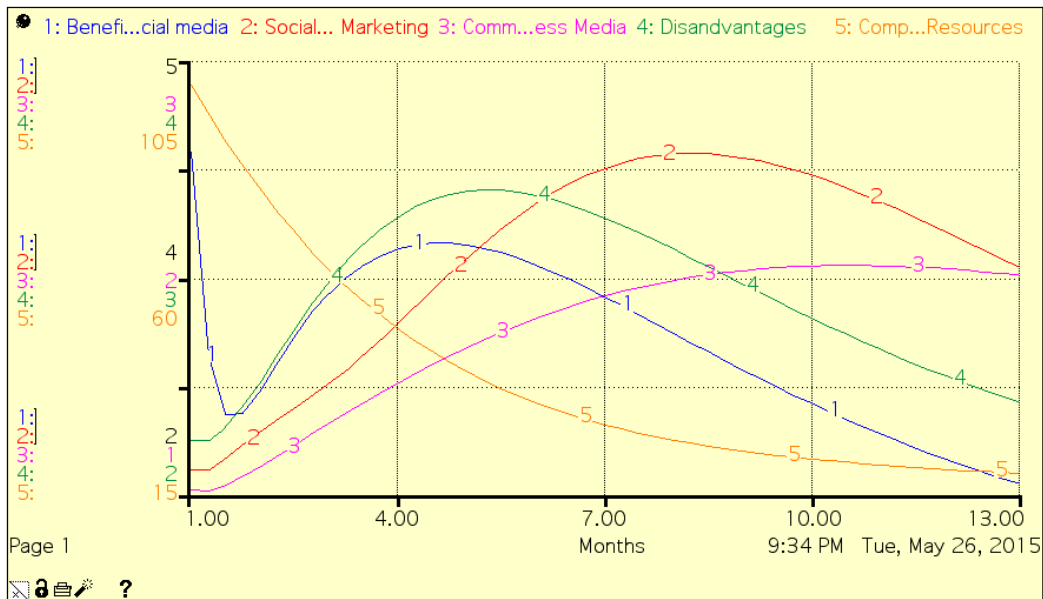


Fig. 4. Dynamic Simulation Model Diagram

Table 3. Results of Scenario

Table 1 (Social Media)						
Months	Benefits of social media	Social Media Marketing	Commercial Success Media	Disadvantages	Company Resources	
Initial	4.38	2.17	1.02	1.88	100.00	
1	2.71	2.43	1.13	2.27	78.24	
2	3.39	2.77	1.33	2.97	61.77	
3	3.70	3.19	1.52	3.42	49.51	
4	3.73	3.64	1.68	3.60	40.52	
5	3.59	4.02	1.81	3.57	34.04	
6	3.37	4.26	1.92	3.42	29.44	
7	3.12	4.36	1.99	3.20	26.19	
8	2.86	4.33	2.03	2.96	23.90	
9	2.63	4.21	2.05	2.72	22.27	
10	2.42	4.03	2.05	2.50	21.05	
11	2.23	3.81	2.04	2.31	20.08	
12	2.07	3.58	2.01	2.14	19.27	

The achievement of all the objectives of the model is shown in Table 3, as well as in figure 3 avoiding in this way, the parallel dramatic cutback of the company's resources.

The definition of values in Percents and the careful selection of the moment to change the allocation of resources may yield an improvement compared to the common sense approach of a manager. Therefore, it is demonstrated that the dynamic simulation models stand up to modern business reality, as one of the best decision making tools.

Conclusions

In this research paper, we tried to analyse the brand awareness of the Facebook and the competitive advantage that creates. In addition we designed a dynamic simulation model for the commercial success of consumer behaviour. The results of the simulation model provide the competitive advantage of the Facebook and generally of all social media and online communication. Simulation programming and dynamic simulation models such as iThink can provide future plans of the process, in order to demonstrate and guide the company to the optimal perspective that a company attempt if the theory applied. System can help to find the solution in the decision-making process for improving competitive advantage.

Future research could be created if it is possible to modelling various processes performed by the use of social networks to develop competitive advantage. The modelling of satisfaction from communication through social networks and the usage of technology for data mining affecting consumers. Also, this procedure could give to the decision-maker and to the company an additional competitive advantage, in order to create a viable and business environment.

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